

Frieda's Finest—Promoting Specialty Produce

Karen Caplan, president and chief operating officer, Frieda's Finest/Produce Specialties, Inc., Los Angeles, CA

Thanks to my mother, Frieda Caplan, I can cook! Her method was unique.

I was just over 3 months old when Frieda went to work in the produce business. She wanted a job with flexible hours so that she could take care of me. She got a job with relatives on the Los Angeles Produce Market in the accounting department. Nearly 2 years later, in November 1957, she began to “dabble” in sales. California Brown Mushrooms were the first items she sold. And by June 1958, my younger sister Jackie was born, and my career in “cooking” began.

Produce Specialties, Inc.

In April 1962, with the encouragement of her growers, Frieda opened Produce Specialties, Inc. on the Los Angeles Produce Market. As the first woman there, she began attracting new growers offering new produce items, and her career in specialty and exotic produce was launched.

As a 9-year-old, I remember getting up with my mother at 1 a.m. to eat breakfast. She had to be at the produce market at 2 a.m. to sell her goods. She'd drive off at close to 1:30 a.m. to downtown Los Angeles. Jackie and I would call her as we left for school and when we got home. She'd get home after 5 p.m. each afternoon.

So I began my cooking career at an early age. First, it was breakfast for Jackie and me before school. Then, as we got older, Dad and Mom expected dinner on the table when they got

home from their respective jobs. Business was always *the* topic of discussion at the dinner table. Dad talked about his labor relation clients. Mom listened intently and planned visits to the mushroom farms near Ventura, CA.

What a promoter and an opportunist my mother was! When we moved into the house we grew up in, my father planted orange trees, pomegranate, and guava bushes—and nepal apples were in between the hibiscus bushes.

Frieda marketed our first crop of guavas and pomegranates at the produce market (we'd pick them in the afternoon after school and she would transport them to work in the back of her station wagon). Jackie and I would go door-to-door selling 5- and 10-pound sacks of fresh picked oranges.

We ate everything that mom was selling. We always sliced up kiwifruit in fruit salads whenever we had guests. We each got our own big, brown paper shopping bag to set next to our chair when we ate artichokes dipped in butter. Most of my friends had never *heard* of an artichoke, much less eaten one for dinner.

Spaghetti squash, sugar snap peas, sunchokes (Jerusalem artichokes), alfalfa sprouts, mangoes—these were the foods that we ate regularly at our house. So, as the official family cook (by default), I quickly learned what to do with these “strange” foods.

Company Name Changes

When I graduated from the University of California at Davis in 1977 with a degree in Agricultural Economics and Business Management, I came to work full time for Frieda's Finest/Produce Specialties, Inc. (we had changed our company name). One of Frieda's trusted business associates had convinced me to come into the business with my mother—to offer continuity to our business, and to our vendors and customers.

We were still on the produce market, occupying five doors between two of the biggest houses on the 7th Street Market.

My directive from Frieda was clear at that time. She allowed me several years to learn every aspect of the business. I sold produce on the floor starting at 2 a.m. each morning. On Saturdays, I filled orders and delivered them. I took product inventory every day (in 36° coolers—where your pen freezes up if you don't write fast enough).

By that time, consumer letters were flowing in at a steady pace. In March 1972, because of extra room on the back of a label, we had established our famous "Dear Customer" offer. We encouraged shoppers (and still do) to write to us and tell us what they bought and where they bought it, and to ask any questions they had, and we promised to send them free recipes.

Part of my job was to answer any unusual complaints or questions. These inquiries from consumers allowed us to find out the answers to many questions we had ourselves. And because of our interest in finding out the answers to *any* and *all* questions that came to us, we became a friendly and frequent contact for many Government agencies, research facilities, and universities, not to mention cooking schools, food editors, and seed companies.

My next assignment was to "Get to know every food editor in America...personally." I had never taken a public speaking class in my life, yet by age 23 I was speaking to a group of prestigious food editors at a national conference in Southern California. Enoki mushrooms, shiitake mushrooms, wheatgrass, and spaghetti squash were some of the items I talked about. My experience in cooking really came in handy by this time. At my apartment in Hollywood, I developed and tested recipes for all our new products. When I spoke with the food editors about questions from their readers, I was well prepared to answer them with real life experience. How to choose one, how to store it, do I cook it? What does it taste like raw? Cooked? If I didn't know, I found out.

By 1979, things had changed in our office and I was suddenly thrust into sales. I had never taken a psychology or sales class. But there I was, calling retailers all over the United States and Canada. And what did they tell me? "That stuff won't sell in our city!" "The price is too high," "I don't like your shipping containers."

Packaging Redesigned

After a trip to Super Duper, a supermarket in Erie, PA, I saw firsthand what our containers and our packaging looked like at their destination. As I set up my first produce department, I learned about eye-catching packaging and how to group products.

That's when things really began to change and evolve at our company. We redesigned our shipping containers with our retail distribution center customers in mind. We used bright white boxes with purple printing; big, clear lettering with proper storage information on every box; proper ventilation holes; and adequate stacking strength.

As the pioneers of shipping produce by air container in wide-bodied planes, we had already concluded that offering "specialty produce" in smaller than normal units such as individual trays or bags made it much more affordable to ship by air.

We did the same thing with our consumer packaging. All of our packaging was designed and priced to be sold under \$1 at retail. Of course, with inflation and increased retail margins, we now aim to sell under \$2 a package.

Our consumer packaging included bold, easy-to-read lettering; purple labels, stickers, and headers; recipes on every package (by 1983 we hired our own home economist to develop our recipes under my guidance and direction); and UPC bar codes (as retail scanning became a reality).

Moving Saves Money

In November 1982, I approached Frieda with a rather outrageous idea. Let's move *off* the produce market and consolidate our operation at our distribution center. Thanks to a Dale Carnegie seminar and one of the men I worked with at Frieda's Finest (who later became my husband), I pointed out that we could save more than \$134,000 annually by moving. Well, dollars talk. On August 26, 1983, we moved into our present facility where things started changing more quickly than ever before.

Our sales staff had grown to five people besides myself (when I first joined Frieda in 1977, most sales were done by Frieda, assisted by someone taking care of national sales and another handling local sales).

We began innovating like no other wholesale distributor had ever done before. We hired a director of field services to visit some of our growers when they needed help or advice. We established our Consumer and Information Services Department to

handle all the consumer and media inquiries that we were now getting daily (by December 1984, we had received 100,000 letters).

We were packing most of our own products at our facility starting at 4 a.m. By packing daily we were able to offer our retail accounts the freshest possible products, longer shelf life, and hand-inspected quality.

As one of the first wholesalers to exhibit at our industry trade shows, we began traveling several times a year to "show our wares" at Produce Marketing Association conventions. We designed and constructed a 20-foot-long booth to showcase more than 150 items we had to offer retailers.

With no real retail experience, we began training retail produce managers on how to properly merchandise specialty produce to maximize their in-store traffic, sales, and profits, and to reduce shrink. We campaigned to get store owners to build and expand their produce departments. Studies were beginning to show how profitable produce was, and its real contribution to gross margin.

Our publicity is impressive. Just about every week we get a phone call from a writer doing a story for a national publication. Or a radio or television producer calls to do a segment. If it has anything to do with cooking, I take it, since Frieda can't cook.

We are now faced with a new challenge. Many farm advisers, researchers, farmers, and even politicians see "specialty" produce as a solution to the economic dilemma facing many farmers. "Grow specialty crops and your troubles will be over" seems to be a popular—and *scary*—decree.

Since our company has spent 26 years building produce departments, advising farmers, developing recipes, marketing programs, and answering consumer concerns, I can assure you

that to overproduce a product for a somewhat limited market can guarantee disaster.

More than 10 years ago, a large farming concern owned by a large oil company came to us asking about thousands of acres of bare farmland. They wanted to plant 50 acres of anything we thought would have potential in the future. Fifty acres? When we talk with our small groups of farmers we suggest 5 *rows* of a new item. Because of our convincing story, the large farming concern backed off and went into other, more well-known crops such as grapes and tree fruit.

Beware Overproduction

How many farmers can make it selling 100 cases a week of Baby Gold Beets? Or 5,000 cases a week of Belgian Endive? Because of the high retail prices and attractive returns, we see the next few years as a real challenge as we watch many farmers and conglomerates getting into the specialty produce business.

And we expect to watch them get out, too. Just this past year, a large grocery concern started a venture with "snacking vegetables." After a year in test-marketing, they dropped it—not enough volume.

We welcome new products to evaluate. We now have a plant pathologist and a Grower Relations Department; Frieda and I work closely with both to evaluate new products and seek new items to market. Our home economist comes in several times a month and together we evaluate, test, and develop new recipes.

We're very selective now. And very challenged. And very lucky! In the retail business, produce directors, vice presidents of perishables, and owners of companies call us daily to help them make their stores more profitable and to give them the edge over their competition. And in between calls—I'm still cooking!